

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008

	August-08				July-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	Fiscal YTD	FY08	Ended	Ended
											6/30/2008	6/30/2008
											Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	1,351,338	2.7%	2.8%	-0.44%	1,357,044	2.8%	2.8%	-1.18%	-1.61%	-6.96%	8.22%	N/A
Total Structured Growth	1,351,338	2.7%	2.8%	-0.44%	1,357,044	2.8%	2.8%	-1.18%	-1.61%	-6.96%	8.22%	10.32%
Russell 1000 Growth				1.08%				-1.90%	-0.84%	-5.96%	5.91%	7.32%
<i>Structured Value</i>												
LSV	1,234,001	2.5%	2.8%	1.68%	1,213,114	2.5%	2.8%	-0.19%	1.49%	-22.29%	3.56%	11.19%
Russell 1000 Value				1.70%				-0.36%	1.33%	-18.78%	3.53%	8.92%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	1,109,170	2.3%	2.3%	0.64%	1,101,983	2.2%	2.3%	-1.72%	-1.09%	-10.70%	6.55%	9.03%
Russell 1000				1.38%				-1.16%	0.20%	-12.36%	4.81%	8.22%
<i>Enhanced S&P 500 Index</i>												
Northern Trust	520,829	1.1%	1.2%	1.69%	512,167	1.0%	1.2%	-0.49%	1.19%	-15.84%	3.14%	6.72%
Westridge	1,162,148	2.4%	2.6%	1.58%	1,143,160	2.3%	2.6%	-0.73%	0.85%	-12.25%	4.94%	8.02%
Wells Capital	848,253	1.7%	1.8%	-3.65%	879,169	1.8%	1.8%	-3.81%	-7.32%	-31.59%	N/A	N/A
European Credit Management	543,655	1.1%	1.2%	0.27%	541,936	1.1%	1.2%	-3.19%	-2.92%	N/A	N/A	N/A
Prudential	628,888	1.3%	1.3%	-0.28%	630,648	1.3%	1.3%	-1.17%	-1.45%	N/A	N/A	N/A
Franklin	545,549	1.1%	1.2%	1.48%	537,073	1.1%	1.2%	-0.90%	0.56%	-13.65%	N/A	N/A
Total Enhanced S&P 500 Index	4,249,323	8.6%	9.3%	0.06%	4,244,152	8.6%	9.3%	-1.76%	-1.70%	-18.66%	2.40%	6.45%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.58%
<i>Absolute Return Strategy</i>												
Epoch	596,899	1.2%	1.4%	1.26%	588,869	1.2%	1.4%	-2.04%	-0.81%	-6.84%	N/A	N/A
S&P 500				1.45%				-0.84%	0.59%	-13.12%		
<i>S&P 500 Index</i>												
State Street	639,020	1.3%	1.4%	0.31%	636,894	1.3%	1.4%	-1.16%	-0.85%	-18.23%	2.99%	6.70%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.58%
TOTAL LARGE CAP DOMESTIC EQUITY	9,179,752	18.6%	20.0%	0.36%	9,142,056	18.5%	20.0%	-1.44%	-1.08%	-16.11%	4.22%	8.17%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.58%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	4,060,246	8.2%	8.6%	1.85%	3,993,116	8.1%	8.6%	1.18%	3.05%	-22.41%	1.06%	8.52%
Russell 2000 + 200bp				3.78%				3.87%	7.79%	-14.48%	5.88%	12.50%
Callan	1,737,193	3.5%	3.4%	3.13%	1,685,365	3.4%	3.4%	0.49%	3.64%	-15.44%	N/A	N/A
Russell 2000				3.61%				3.70%	7.45%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	5,797,439	11.8%	12.0%	2.23%	5,678,481	11.5%	12.0%	0.97%	3.22%	-20.36%	2.11%	9.20%
Russell 2000				3.61%				3.70%	7.45%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	489,487	1.0%	1.1%	-5.22%	516,114	1.0%	1.1%	-3.73%	-8.76%	-13.11%	12.40%	14.27%
MSCI EAFE (1)				-4.05%				-3.21%	-7.13%	-10.61%	12.84%	14.86%
<i>Large Cap - Active</i>												
Capital Guardian	1,541,772	3.1%	3.3%	-3.12%	1,589,666	3.2%	3.3%	-3.93%	-6.93%	-13.89%	11.58%	14.15%
LSV	1,480,961	3.0%	3.3%	-0.99%	1,495,417	3.0%	3.3%	-2.78%	-3.75%	-23.98%	8.07%	N/A
Total Large Cap - Active	3,022,734	6.1%	7.7%	-2.09%	3,085,083	6.3%	7.7%	-3.38%	-5.40%	-20.05%	9.04%	13.03%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%
<i>Small Cap - Active</i>												
DFA	485,231	1.0%	1.1%	-3.22%	501,376	1.0%	1.1%	-0.44%	-3.65%	N/A	N/A	N/A
Wellington	487,591	1.0%	1.1%	-4.79%	511,553	1.0%	1.1%	-5.49%	-10.01%	-15.19%	9.83%	16.11%
Total Small Cap - Active	972,823	2.0%	2.2%	-4.01%	1,012,928	2.1%	2.2%	-3.00%	-6.89%	-15.60%	9.53%	16.89%
S&P/Citigroup BMI EPAC < \$2BN				-5.40%				-4.30%	-9.47%	-19.12%	10.36%	19.26%
TOTAL INTERNATIONAL EQUITY	4,485,043	9.1%	11.0%	-2.86%	4,614,125	9.4%	11.0%	-3.33%	-6.10%	-18.47%	9.51%	13.93%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%
EMERGING MARKETS EQUITY												
<i>Core</i>												
JP Morgan	148,681	0.3%	0.3%	-5.72%	157,582	0.3%	0.3%	-3.11%	-8.65%	3.57%	N/A	N/A
PanAgora	146,442	0.3%	0.3%	-9.00%	160,810	0.3%	0.3%	-3.88%	-12.52%	7.21%	N/A	N/A
WestLB	149,598	0.3%	0.3%	-9.44%	165,527	0.3%	0.3%	-4.13%	-13.18%	11.12%	N/A	N/A
UBS	202,646	0.4%	0.4%	-6.69%	216,587	0.4%	0.6%	-4.18%	-10.59%	5.82%	N/A	N/A
Total Core	647,367	1.3%	1.4%	-7.65%	700,507	1.4%	1.6%	-3.87%	-11.23%	6.87%	27.76%	29.00%
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	4.89%	27.52%	22.84%
<i>Small Cap</i>												
DFA	154,867	0.3%	0.4%	-6.04%	164,822	0.3%	0.4%	-1.57%	-7.52%	-13.68%	N/A	N/A
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	4.89%		
<i>Private Equity</i>												
Capital International	71,777	0.1%	0.1%	0.00%	59,937	0.1%	0.1%	0.00%	0.00%	N/A	N/A	N/A
MSCI Emerging Markets												
<i>Infrastructure</i>												
JP Morgan	36,106	0.1%	0.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	910,116	1.8%	2.0%	-6.87%	925,265	1.9%	2.0%	-3.25%	-9.89%	2.99%	27.07%	28.58%
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	4.89%	27.52%	30.15%

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											6/30/2008	6/30/2008
											Net	Net
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	1,170,866	2.4%	2.3%	1.13%	1,143,768	2.3%	2.2%	-2.53%	-1.42%	-0.30%	1.78%	2.90%
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%	4.09%	3.86%
Index												
Bank of ND	1,859,595	3.8%	3.1%	0.90%	1,814,014	3.7%	3.5%	0.04%	0.93%	7.70%	3.93%	3.57%
Total Index	1,859,595	3.8%	3.1%	0.90%	1,814,014	3.7%	3.5%	0.04%	0.93%	7.70%	4.17%	3.91%
Lehman Gov/Credit				0.92%				0.00%	0.92%	7.24%	3.84%	3.58%
Enhanced												
Westridge	1,116,173	2.3%	1.9%	1.55%	1,081,975	2.2%	1.9%	0.92%	2.48%	N/A	N/A	N/A
Lehman Aggregate				0.95%				-0.08%	0.87%			
Convertibles												
Calamos (2)	1,234,500	2.5%	2.3%	0.27%	1,210,409	2.5%	2.2%	-1.31%	-1.04%	-2.86%	N/A	N/A
Total Convertibles	1,234,500	2.5%	2.3%	0.27%	1,210,409	2.5%	2.2%	-1.31%	-1.04%	-2.86%	4.55%	2.71%
Merrill Lynch All Convertibles (3)				-0.37%				-3.13%	-3.49%	-6.36%	5.72%	6.36%
BBB Average Quality												
Wells Capital	1,269,179	2.6%	2.3%	0.69%	1,480,705	3.0%	2.2%	-0.60%	0.09%	3.70%	3.26%	4.56%
Lehman BBB				0.80%				-0.67%	0.13%	2.62%	2.52%	3.44%
Senior Debt												
PIMCO	408,034	0.8%	0.8%	0.00%	200,831	0.4%	0.4%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%		
Private Debt												
Prudential	1,204,773	2.4%	2.3%	0.17%	1,184,711	2.4%	2.2%	0.27%	0.43%	3.32%	3.41%	N/A
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%		
Timberland												
TIR - Teredo (4)	1,500,848	3.0%	3.0%	-0.05%	1,477,416	3.0%	3.0%	-0.05%	-0.09%	22.02%	15.15%	14.07%
TIR - Springbank	3,302,324	6.7%	6.7%	-0.14%	3,250,777	6.6%	6.6%	-0.14%	-0.29%	15.25%	18.41%	N/A
Total Timberland	4,803,172	9.7%	9.7%	-0.11%	4,728,193	9.6%	9.6%	-0.11%	-0.23%	17.50%	17.86%	21.14%
NCREIF Timberland Index				0.34%				0.34%	0.67%	19.96%	17.12%	14.70%
Infrastructure												
JP Morgan	2,398,462	4.9%	4.9%	3.18%	2,286,976	4.6%	4.6%	-0.13%	3.04%	13.28%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	15,464,754	31.4%	29.0%	0.85%	15,131,581	30.7%	29.0%	-0.32%	0.53%	9.02%	8.15%	9.65%
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%	4.09%	3.86%
HIGH YIELD BONDS												
Core												
Loomis Sayles	1,449,209	2.9%	2.3%	-0.91%	1,457,655	3.0%	2.3%	-1.44%	-2.34%	-1.43%	5.39%	N/A
Sutter/Wells Capital	1,281,313	2.6%	2.3%	-0.06%	1,286,165	2.6%	2.3%	-1.35%	-1.41%	-6.12%	2.58%	N/A
Total Core	2,730,521	5.5%	4.6%	-0.51%	2,743,820	5.6%	4.7%	-1.40%	-1.91%	-3.71%	4.01%	4.88%
LB High Yield 2% Issuer Contstrained Index				0.31%				-1.25%	-0.95%	-1.75%	4.48%	N/A
Mezzanine Debt												
Goldman Sachs 2006 Fund	83,403	0.2%	0.2%	0.00%	83,403	0.2%	0.2%	0.00%	0.00%	-3.89%	N/A	N/A
Goldman Sachs Fund V	120,759	0.2%	0.2%	0.00%	112,577	0.2%	0.2%	0.00%	0.00%	N/A	N/A	N/A
TCW	215,754	0.4%	0.4%	0.85%	199,223	0.4%	0.4%	0.00%	0.85%	7.26%	N/A	N/A
Total Mezzanine Debt	419,916	0.9%	0.9%	0.43%	395,203	0.8%	0.8%	0.00%	0.43%	0.49%	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				0.31%				-1.25%	-0.95%	-1.75%		
Distressed Mortgages												
PIMCO	196,269	0.4%	0.4%	0.00%	196,269	0.4%	0.4%	0.00%	0.00%	N/A	N/A	N/A
Declaration Management	50,393	0.1%	0.1%	0.96%	49,915	0.1%	0.1%	0.00%	0.96%	N/A	N/A	N/A
Total Distressed Mortgages	246,662	0.5%	0.5%	0.19%	246,184	0.5%	0.5%	0.00%	0.19%	N/A	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				0.31%				-1.25%	-0.95%			
TOTAL HIGH YIELD BONDS	3,397,100	6.9%	6.0%	-0.33%	3,385,207	6.9%	6.0%	-1.16%	-1.49%	-4.27%	3.82%	6.32%
LB High Yield 2% Issuer Contstrained Index				0.31%				-1.25%	-0.95%	-1.75%	4.48%	6.88%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	2,247,885	4.6%	4.8%	-2.68%	2,311,225	4.7%	4.8%	0.37%	-2.32%	17.24%	5.56%	6.49%
Citigroup Non-US Gov't Bond Index (5)				-2.80%				0.16%	-2.65%	18.73%	6.63%	7.04%
International Core												
Brandywine	2,391,217	4.9%	4.8%	-2.46%	2,456,705	5.0%	4.8%	0.85%	-1.63%	10.78%	7.06%	8.51%
Lehman Global Aggregate (ex-US)				-3.29%				0.27%	-3.03%	16.53%	7.88%	7.38%
TOTAL INTERNATIONAL FIXED INCOME	4,639,103	9.4%	9.5%	-2.57%	4,767,930	9.7%	9.5%	0.62%	-1.97%	13.90%	6.31%	7.50%
Citigroup Non-US Gov't Bond Index (5)				-2.80%				0.16%	-2.65%	18.73%	6.66%	7.06%
REAL ESTATE												
INVESCO - Core	2,251,536			-0.03%	2,251,536			-0.03%	-0.07%	8.27%	N/A	N/A
INVESCO - Fund II	49,097			0.00%	49,097			0.00%	0.00%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	2,128,027			0.06%	2,124,890			-0.22%	-0.15%	5.69%	15.27%	15.26%
J.P. Morgan Alternative Property Fund	571,436			-0.20%	571,436			-0.20%	-0.40%	4.59%	N/A	N/A
J.P. Morgan Greater China Property Fund	54,674			0.00%	54,674			0.00%	0.00%	N/A	N/A	N/A
TOTAL REAL ESTATE	5,054,770	10.3%	9.5%	-0.01%	5,051,633	10.2%	9.5%	-0.13%	-0.14%	6.31%	15.27%	15.26%
NCREIF TOTAL INDEX				0.19%				0.19%	0.37%	9.20%	14.82%	14.63%

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ALTERNATIVE INVESTMENTS												
Coral Partners V	12,818			0.00%	12,818			0.00%	0.00%	9.09%	5.22%	-8.23%
Coral Partners V - Supplemental	1,497			0.00%	1,497			0.00%	0.00%	-6.34%	3.94%	6.41%
Coral Momentum Fund (Formerly Fund VI)	20,834			0.00%	21,483			0.00%	0.00%	13.96%	-3.63%	-7.09%
Brinson 1998 Partnership Fund	1,521			0.00%	1,521			0.00%	0.00%	6.92%	17.74%	16.40%
Brinson 1999 Partnership Fund	4,593			0.00%	4,593			0.00%	0.00%	13.32%	15.81%	14.25%
Brinson 2000 Partnership Fund	15,411			0.00%	15,411			0.00%	0.00%	21.82%	21.03%	17.78%
Brinson 2001 Partnership Fund	12,967			0.00%	12,967			0.00%	0.00%	2.23%	12.37%	9.49%
Brinson 2002 Partnership Fund	6,706			0.00%	7,052			0.00%	0.00%	3.20%	14.93%	10.72%
Brinson 2003 Partnership Fund	2,415			0.00%	2,415			0.00%	0.00%	-6.42%	16.42%	8.89%
Total Brinson Partnership Funds	43,614			0.00%	43,959			0.00%	0.00%	13.85%	17.75%	14.80%
Brinson 1999 Non-US Partnership Fund	2,180			0.00%	2,180			0.00%	0.00%	-9.78%	38.86%	33.76%
Brinson 2000 Non-US Partnership Fund	4,960			0.00%	5,286			0.00%	0.00%	27.03%	38.56%	28.82%
Brinson 2001 Non-US Partnership Fund	3,571			0.00%	3,571			0.00%	0.00%	13.44%	15.89%	14.66%
Brinson 2002 Non-US Partnership Fund	9,054			0.00%	9,054			0.00%	0.00%	14.08%	43.86%	31.81%
Brinson 2003 Non-US Partnership Fund	7,151			0.00%	7,749			0.00%	0.00%	24.92%	42.47%	23.29%
Brinson 2004 Non-US Partnership Fund	3,721			0.00%	3,721			0.00%	0.00%	29.16%	25.88%	N/A
Total Brinson Non-US Partnership Fund	30,638			0.00%	31,561			0.00%	0.00%	18.83%	37.12%	28.34%
Adams Street 2008 Non-US Partnership Fd	665			0.00%	583			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	23,086			0.00%	21,560			0.00%	0.00%	-1.94%	7.62%	9.88%
Adams Street Direct Co-investment Fund	26,392			0.00%	23,698			0.00%	0.00%	4.06%	N/A	N/A
Matlin Patterson Global Opportunities	8,561			0.00%	11,728			0.00%	0.00%	-29.56%	-11.62%	9.60%
Matlin Patterson Global Opportunities II	44,514			0.00%	49,770			0.00%	0.00%	-5.55%	8.69%	N/A
Matlin Patterson Global Opportunities III	24,927			0.00%	24,648			0.00%	0.00%	-20.02%	N/A	N/A
InvestAmerica	11,189			0.00%	11,824			0.00%	0.00%	27.36%	13.22%	1.67%
Hearthstone MSII	128			0.00%	128			0.00%	0.00%	-62.01%	-100.00%	-100.00%
Hearthstone MSIII	2,223			0.00%	2,223			0.00%	0.00%	-10.75%	63.82%	N/A
Corsair III	20,872			0.00%	20,872			0.00%	0.00%	64.04%	N/A	N/A
Corsair III - ND Investors LLC	14,967			0.00%	14,967			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	355			0.00%	4,476			0.00%	0.00%	-52.44%	N/A	N/A
Quantum Energy Partners	4,400			0.00%	3,762			0.00%	0.00%	-3.17%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	291,681	0.6%	1.0%	0.00%	301,556	0.6%	1.0%	0.00%	0.00%	3.86%	10.51%	10.33%
CASH EQUIVALENTS												
Northern Trust STIF	18,605			0.19%	336,326			0.19%	0.38%	0.70%	3.40%	2.76%
Bank of ND	48,431			0.16%	-			N/A	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	67,037	0.1%	0.0%	0.17%	336,326	0.7%	0.0%	0.19%	0.35%	0.70%	3.61%	3.40%
90 Day T-Bill				0.16%				0.18%		3.63%	4.27%	3.18%
TOTAL FUND	49,286,794	100.0%	100.0%	-0.08%	49,334,160	100.0%	100.0%	-0.67%	-0.76%	0.06%	8.52%	10.80%
POLICY TARGET BENCHMARK				0.42%				-0.17%	0.24%	1.36%	6.85%	8.14%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toredos properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.